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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte CHRISTOPHER S. WEBB and THOMAS E. KATANA

Appeal 2009-0265
Application 10/066,597
Technology Center 3600

Decided: January 23, 2009

Before, HUBERT C. LORIN, ANTON W. FETTING, and
BIBHU R. MOHANTY, *Administrative Patent Judges*.

MOHANTY, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellants seek our review under 35 U.S.C. § 134 of the final rejection of claims 1-33. We have jurisdiction under 35 U.S.C. § 6(b) (2002). Oral arguments were presented on January 15, 2008.

SUMMARY OF THE DECISION

We REVERSE.

THE INVENTION

The Appellants' claimed invention is directed to a patronage incentive system for Internet-based retail businesses in which each participating retailer offers the customer an option to round up the price of the purchase to a rounded dollar amount. The difference of the rounded dollar amount and retail price of the purchase is credited to the customer's personalized account and is then invested into an investment entity approved by the customer. (Specification, 9). Claim 1, reproduced below, is representative of the subject matter of appeal.

1. A patronage incentive system, comprising:

a computer system for interactive communication between a plurality of enrolled customers having access to the Internet and at least one participating retailer having at least one point-of-sale terminal, said enrolled customers purchasing a product offered by said at least one participating retailer at said at least one point-of-sale terminal thereof at a retail price,

a saving software program integrated into said computer system at said at least one point-of-sale terminal of said at least one participating retailer;

a predetermined single mutual fund;

each of said customers initiating the enrollment thereof in said patronage incentive system by interacting with said saving software program through the Internet to establish a personal account

associated with said each customer and to receive a predetermined identifier of said each customer;

said saving software program for:

(a) rounding up said retail price of the purchased product to a rounded price amount,

(b) crediting the difference between said rounded price amount and said retail price to said personal account associated with said each enrolled customer making purchase, and

(c) transferring the amounts credited to said personal accounts for said plurality of enrolled customers into a merging account for investment into said predetermined single mutual fund, said merging account containing combined differences between said rounded price amounts and said retail prices for said plurality of enrolled customers, whereby said merging account and said single mutual fund are shared by said plurality of enrolled customers.

THE REJECTIONS

The Examiner relies upon the following as evidence in support of the rejections:

Burke	US 6,112,191 A	Aug. 29, 2000
Kalina	US 6,243,688 B1	Jun. 5, 2001

The following rejections are before us for review:

1. Claims 1-33 are rejected under 35 U.S.C. § 103(a) as unpatentable over Burke in view of Kalina.

THE ISSUE

The issue is whether the Appellants have shown that the Examiner erred in rejecting the claims 1-33 under 35 U.S.C. § 103(a) as unpatentable over Burke in view of Kalina.

This issue turns on whether Burke discloses a merging account for investment into a predetermined single mutual fund whereby the merging account and the single mutual fund are shared by a plurality of enrolled customers.

FINDINGS OF FACT

We find the following enumerated findings of fact (FF) are supported at least by a preponderance of the evidence[1]:

FF1. Burke does not specifically disclose that the rounded amounts of the customers are pooled into one single account for investment in a single mutual fund.

FF2. Burke specifically discloses that the Clearinghouse Central Computer (CCC) segregates the excess funds into individual subscriber/payer accounts (Col. 4:37-43).

FF3. Burke discloses that the Clearinghouse Central Computer (CCC) can distribute the money collected from merchants to banks and charities and not only to a single predetermined mutual fund (Fig. 1).

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[1] *See Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Patent Office).

PRINCIPLES OF LAW

"Section 103 forbids issuance of a patent when 'the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.'" *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1734 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18, (1966). *See also KSR*, 127 S.Ct. at 1734 ("While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.")

ANALYSIS

Claims 1-6

The Appellants argue that the rejections of claims 1-13 under 35 U.S.C. § 103(a) as unpatentable over Burke and Kalina is improper because Burke fails to disclose "a *single merging account* for further investment of *combined funds* into a *single* investment account…for participation in *the mutual fund* (Br. 55, emphasis added). The Appellants assert the "merging account" is not an "investment product" but instead a "commingled non-investment account" from plural customers (Reply Br. 1).

The Appellants assert the collective or merging account of commingled additional amounts is later invested into a single investment account (Reply Br. 2). The Appellants argue that the Examiner has overlooked the difference between initially contributing and collecting excess funds and later investment of commingled funds (Reply Br. 3). The Appellants argue that Burke's Clearinghouse Central Computer (CCC) segregates the excess funds into individual subscriber/payer accounts (Reply Br. 5).

In contrast the Examiner has determined that in Burke such a "merging account" is implicitly supported. The Examiner argues that in Burke:

> the customer's differences or excess payments invested in investment vehicles, such as mutual funds (predetermined single mutual fund or a mutual fund pre-selected by the customer), are considered to be invested in a collective (merging) investment vehicle created at the mutual fund company and shared by a plurality of customers (collective investment), as implicitly supported by Burke (Ans. 7).

The Examiner has found that in Burke the funds are sorted out and transferred to an investment firm (merging account) for investment in a mutual fund, insurance or security investment according to the customer's instructions (Ans. 13). The Examiner contends that if common payers or customers choose to invest a portion of their payments into a particular mutual fund that the differences of the common payers would be bundled together and invested in the mutual fund (Ans. 17). The Examiner has also determined that a mutual fund is in known in the art as a collective investment (Ans. 18).

We agree with the Appellants. Claim 1 requires "transferring the amounts credited…..into a *merging account* for investment into said *predetermined single mutual fund*….whereby said *merging account* and said *mutual fund* are shared by said plurality of enrolled customers" (emphasis added). Claim 1 requires both a "merging account" and a "predetermined single mutual fund" as well. The "merging account" cannot also serve as the "predetermined single mutual fund" in claim 1.

The Examiner has argued that Burke does disclose a merging account (Ans. 7, 13). Despite this contention by the Examiner we are unable to conclude that the portions of the Burke reference cited by the Examiner actually disclose a "merging account" (FF1). In contrast, Burke specifically discloses that the Clearinghouse Central Computer (CCC) segregates the excess funds into *individual* subscriber/payer accounts (FF2) and thus the collected funds cannot be considered "*merged*" since they are in *individual* accounts. The Examiner has argued that a "merged account" is implicit in the Burke reference (Ans. 7, 17) but we are unable to reach the same conclusion since Burke specifically teaches that the excess funds are segregated into individual accounts (FF2). "To establish inherency, the extrinsic evidence must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.'" *In re Robertson*, 169 F.3d 743, 745 (Fed. Cir. 1999) (citations omitted) (internal quotation marks omitted). Here, the Burke reference is silent (FF1) as to any

collective or merging account for the plurality of customers rounded amounts for investment into a single fund mutual fund. Burke is also silent as to the transfer of funds of common payers or customers choosing to invest a particular mutual fund and there is nothing specifically to show that these funds are bundled together in any fashion in the Burke reference.

The Examiner has also argued that a mutual fund is known in the art as a collective investment and that all investments in a mutual fund are collectively invested therein (Ans. 18). We do not disagree with this contention by the Examiner but note that the claim requires both a "merging account" and a "predetermined single mutual fund" and accordingly this finding by the Examiner has little relevance to the separate merging account claimed. For these reasons, the rejection of claim 1 under 35 U.S.C. § 103(a) as unpatentable over Burke and Kalina is not sustained. Claims 2-13 depend from claim 1 and the rejection of these claims is not sustained for the same reasons.

Claims 14-21

The Appellants similarly argue that the rejections of claims 14-21 under 35 U.S.C. § 103(a) as unpatentable over Burke and Kalina is improper because Burke fails to disclose "a *single merging account* established with a bank for periodic investment into a *predetermined single mutual fund"* (Br. 70, emphasis added). For the reasons give above, the rejection of claim 14 under 35 U.S.C. § 103(a) as unpatentable over Burke and Kalina is not sustained. The rejection of dependent claims 15-21 is not sustained for these same reasons.

Claims 22-29

The Appellants similarly argue that the rejection of claim 22 under 35 U.S.C. § 103(a) as unpatentable over Burke and Kalina is improper because Burke fails to disclose "a *single merging account* with a bank in which money [is] combined for being invested in a *single investment product*" (Br. 80, emphasis added). For the reasons give above, the rejection of claim 15 under 35 U.S.C. § 103(a) as unpatentable over Burke and Kalina is not sustained. The rejection of dependent claims 23-29 is not sustained for these same reasons.

Claims 30-33

The Appellants similarly argue that the rejection of claim 30 under 35 U.S.C. § 103(a) as unpatentable over Burke and Kalina is improper because Burke fails to disclose "a *single merging account*" for "periodic investment in a predetermined *single mutual fund*" (Br. 88, emphasis added). For the reasons give above, the rejection of claim 30 under 35 U.S.C. § 103(a) as unpatentable over Burke and Kalina is not sustained. The rejection of dependent claims 31-33 is also sustained for these same reasons.

CONCLUSIONS OF LAW

We conclude that Appellants have shown that the Examiner erred in rejecting claims 1-33 under 35 U.S.C. § 103(a) as unpatentable over Burke and Kalina.

DECISON

The Examiner's rejection of claims 1-33 is not sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv) (2007).

REVERSED

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